

CHESHIRE EAST COUNCIL

LICENSING COMMITTEE

Date of meeting: 19 December 2008
Report of: Mr T Potts, Community Safety Manager
Title: Fees and Charges

1.0 Purpose of Report

- 1.1 The purpose of the report is to provide the Licensing Committee information on the fees and charges currently charged by Congleton, Macclesfield and Crewe Borough Councils in relation to licensing functions and to seek approval for the proposed fees for Cheshire East.

2.0 Decision Required

- 2.1 The Licensing Committee is requested to consider the proposed fees set out within Appendix 1 and is further requested to:
- 2.1.1 Approve the fees to be charged in relation to functions in relation to gambling, street trading and sex establishments; and
- 2.1.2 To approve the proposed fees in relation to private hire and hackney carriage licences in order that they may be subject to statutory consultation.

3.0 Financial Implications for Transition Costs

- 3.1 There are no significant costs involved in the implementation of the revised charging options. There will be a cost for the publication in local newspapers of the notice relating to taxi licensing fees.

4.0 Financial Implications 2009/10 and beyond

- 4.1 The harmonisation and review of fees and charges across Cheshire East will result in an increase in revenue in some areas, but could result in a decrease in others. The proposed fees and charges do not reflect the inflationary increase that will occur in April 2009. All the charges will be subject to review during the budget setting process.

5.0 Legal Implications

- 5.1 Fees in relation to licences and notices under the Licensing Act 2003 are set by the Licensing Act 2003 (Fees) Regulations 2005 (as amended). As a result the Licensing Authority has no discretion in relation to the fees that are charged for these functions.

- 5.2 Fees in relation to certain functions, such as permits and notifications, under the Gambling Act are prescribed, however the Act does allow licensing authorities to set its own fees in relation to gambling premises licences, up to a maximum prescribed level.
- 5.3 The remainder of the fees charged by the section, in relation to matters such as taxi licensing, sex establishments and street trading are not set by statute and are determinable by licensing authorities. Such fees must be reasonable and set on a cost recovery basis.
- 5.4 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 prescribes that fees in relation private hire and hackney carriage vehicle licences and private hire operator's licences must be subject to a statutory publication requirement with provision for representations to be made within twenty-eight days of publication of the notice.

6.0 Risk Assessment

- 6.1 Leaving the charges as they (i.e. with differences between the three districts) would result in different charges being applied within the administrative area of Cheshire East. It is suggested that this would lead to confusion and inequalities throughout Cheshire East.
- 6.2 Harmonising fees and charges from 1 April will result in some significant increases to groups of existing customers, and a reduction for others. Fees in relation to taxi licensing fees are to be subject to consultation to allow customers to make their views known to the authority before a determination is made.

7.0 Background and Options

- 7.1 As set out above fees under the Licensing Act 2003 and certain fees under the Gambling Act 2005 are set by legislation and therefore the Council has no option but to charge this amount. The Gambling Act 2005 sets a maximum fee level that the Council may impose in relation to gambling premises licences, however the Council has discretion to set the fee up to this level. The Council also has discretion in relation to other 'general' licensing matters including taxi licensing and the licensing of sex establishments. Attached, as Appendix 1 is a spreadsheet showing the fees existing with the current districts, together with a proposed fee level for Cheshire East.
- 7.2 In determining the level of fee to be set, in circumstances where the Council does have discretion, the Council must take into account the cost of providing the service to ensure that the fees are reasonable and relate to cost recovery. Guidance from LACORS suggests "all direct and indirect costs, including a full proportional share of overhead costs, insurance, depreciation and cost of capital charge. For example, overheads include: accommodation, telephone, furnishing, IT, printing, stationery, and postage. Staff costs include: salary, pension, NI contributions, travel &

subsistence. There will also be legal and central support services costs such as personnel, press and publications, accountants etc.

- 7.3 The proposed fees shown within Appendix 1 have been calculated following an exercise carried out using a financial model agreed with the group accountant. The fees have been set based on the number of hours needed to process each application, and an estimated hourly rate of £50 per hour (based on costs within existing district councils).
- 7.4 The appendix shows the current fees charged by each district and propose a revised charging structure. This is based upon the amount of time it will take officers to deal with each application.
- 7.5 Licensing Committee is requested to consider the fee levels proposed. In relation to gambling premises licences the Committee is requested to consider whether, due to the fact that the hourly rate has been based on the existing costs within districts, rather than the yet unknown costs within Cheshire East, the maximum fee allowed within the Gambling Act should be set for year one. If this option were to be approved it would be suggested that this level would be revised in year two, once the costs within the Cheshire East Licensing Section are known.
- 7.6 If any representations are received during the consultation period, the Licensing Committee will be asked to consider a further report on taxi licensing fees in due course.

8.0 Overview of Day One, Year One and Term One Issues

- 8.1 To ensure that harmonisation of fees and charges can take place, increases in charges will occur for some services. It is suggested that this should be in operational from day one, rather than adopting a “phasing” in approach, over a period of time, which can lead to complications, and again result in unequal charging throughout Cheshire East.

9.0 Reasons for Recommendation

- 9.1 The fees and charges proposed in the tables aim to harmonise existing fees and charges across the old three district councils, whilst at the same time, minimising the impact on the revenue currently being received by each of the existing districts.
- 9.2 The proposals are considered equitable such that a customer is charged for the same generic service at the same rate irrespective of where they live or undertake their business activities.

For further information:

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Background Documents:

None